

Committee on Resources
Subcommittee on Water and Power
U.S House of Representatives
Honorable Ken Calvert, Chairman

Testimony at the Subcommittee's
California Water Supply Field Hearings – Part III
July 1, 2003

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Orange County Business Council

Good morning. I'm Julie Puentes, Executive Vice President Public Affairs for the Orange County Business Council.

Thank you, Chairman Calvert, for inviting our organization to address the Subcommittee today. I'd like to express our support for your tireless efforts on California water issues, including the all-important CALFED program and Colorado River issues.

The Orange County Business Council is the leading business organization in Orange County. We are a private-sector alliance of companies that represents hundreds of local enterprises from small shops to giant, multi-national companies. The Business Council provides the forum for businesses to join together—often in conjunction with government and educational institutions—to invest in the growth and prosperity of the fifth largest county in America.

The Business Council's interest in water issues is inextricably related to its primary mission: economic prosperity. Our region cannot maintain economic prosperity without clean and plentiful water supplies: No water means no business. If there is an insufficient or unreliable supply, business will have one more reason not to locate or expand here. At a time when nearly one-fifth of California businesses are already planning to expand and/or relocate out of the state, we cannot give them one more reason. Restoring the state to its proper place in the global economy requires that we ensure a clean and reliable supply of water for our homes and businesses.

Orange County's diverse economy includes high-tech, biotech pharmaceutical, manufacturing, tourism, and professional services with an economic output of about \$135 billion. The county is one of the highest job growth areas in the state and nation, with job growth projected at 20 percent over the next 20 years.

18.4 percent of Orange County's jobs are in high technology, ranking the county 6th in the U.S. in terms of high tech jobs. Communities compete for high tech industry because high tech positions pay higher salaries than average, and the multiplier effects for the local and state economy easily outpace those of other industries. But high tech industries often rely upon large amounts of clean water for their operations. A day without water can be economically devastating. The immediate impact is a halt in production. The ensuing impact is up to two weeks to clean and reset equipment to standard, eliminate bacteria from lines, sanitize, and re-test. At the rate of \$1 million per day of lost production, you can see the impact of a day without water upon a high-tech region.

That's why, in conjunction with the Metropolitan Water District and its member agencies, Orange County businesses are participating in conservation programs, and we are supporting our water agencies in pursuing innovative solutions such as the Groundwater Replenishment System and desalination. Specific to today's

hearing, the Orange County Business Council is supporting the following actions by Congress and the California legislature:

- Re-authorization of the CALFED program and the federal appropriation necessary for program implementation.

CALFED represents our best hope to insure that the California Bay-Delta continues to provide a reliable, clean water supply for all of California. Therefore, federal investments in the Delta must be increased. While the State of California passed Proposition 13 in March 2000 providing nearly \$2 billion, no new federal money was allocated in the last session of Congress, and state legislation providing for governance of CALFED failed in the final days of the 1999-2000 session. Only with new federal investment in this priority area can the Delta be restored to deliver on its dual purpose of transporting water while maintaining a healthy ecosystem.

- Storage.

Any solutions within the CALFED process must include storage and conveyance elements. While the Phase II Record of Decision and EIR do include a call for surface storage, it lacks any specifics. This is a crucial element to any fair, balanced plan.

- Federal guidance in developing a plan to stay within our allotted 4.4 million acre-feet a year of Colorado River water.

We believe local resource programs can help the state cut its dependence on the Colorado River and Northern California water. A competitive, business-like process for the allocation of public bond funds is necessary to ensure that the funds are used as prudently as possible.

- Voluntary water transfers.

Voluntary water transfers comprise an important component of Southern California's array of water supplies but water must not be dependent on public subsidies. The Business Council has not had a chance to read Metropolitan Water District's most recent proposal on the Colorado River transfer deal but has traditionally supported user fees in concept.

In conclusion, Chairman Calvert, the Orange County Business Council would like to thank you for holding this hearing and for fostering an atmosphere of cooperation among those of us working to promote clean and adequate water supplies for our homes, businesses and communities. Your leadership is essential as we strive to address water supply challenges that as best as possible meet the legitimate needs of the people of this state.

**DISCLOSURE AS REQUIRED BY HOUSE RULE XI, CLAUSE 2(g)
AND RULES OF THE COMMITTEE ON RESOURCES**

Part A

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4. Orange County Business Council
5. Qualifications: 30-year career in public policy development for the California Assembly and Senate and in the private sector, including public/private partnerships to promote awareness and understanding of key water issues facing California, and advocacy to promote clean and adequate water supplies.
6. Professional licenses: n/a
7. Occupational experiences: Professional staff to five state legislators, (see Question 5, above); consultant to Tri-Cities Municipal Water District; Executive V.P. Public Affairs, Orange County Business Council.
8. Offices/elected positions: n/a

Part B

The Orange County Business Council has received no federal grants from the Department of Interior for the past two years.

I am presenting testimony on behalf of the Orange County Business Council, the leading business organization in Orange County. We are a private-sector alliance of companies and public-sector partners that represents hundreds of local enterprises from small shops to giant multi-national companies. The Business Council provides the forum for businesses to join together—often in conjunction with government and educational institutions—to invest in the growth and prosperity of the fifth largest county in America. The organization's primary objective is economic growth and prosperity across the county.